

Attachment A
CRAG 6-58
2 April 1958

TO: Assistant Director, CR

SUBJECT: Evaluation of Product Coding in Industrial Register

I. PROBLEM

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In view of a recent reduction in the manpower ceiling of the Industrial Register, it seems advisable to evaluate the present product coding operation in case it becomes necessary to reassign personnel in IR's Products Branch to other programs considered to have higher priority [REDACTED]. Specifically, the problem is to determine from users of the Industrial Register the acceptability of substituting a shorter and simpler code for the system now in use - a code that could be applied by each area analyst as a regular part of processing an intelligence document.

II. BACKGROUND

Initially the purpose of establishing a Products Branch in the Industrial Register was to create and maintain a product or commodity index on foreign industrial plants and, by means of this index, to provide a detailed and specific commodity approach to industrial installations.

The Products Branch, through commodity classification employing up to 10 digits, has made it possible for the Industrial Register to answer with speed and accuracy the complex product requests received each month. Over 2,000 IBM listings have been run in the past six (6) years on specific products, or related product groups, for the various offices using the Register. (For additional background information concerning the Product Coding Program see Attachment C).

III. DISCUSSION

In the belief that it would be possible to recover minutiae of data at a reduced but nevertheless acceptable rate of speed and comparable degree of accuracy, the following system is proposed as a workable alternative to Product Coding in its present form:

1. Retain the present IBM Product Index and service future requests up to cutoff date under existing procedure.
2. For all new documents going into the plant dossiers and for countries not originally coded under the old system

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(i.e. free world) a new coding system based on the first three (3) digits of [REDACTED] would be used. These new documents would then be placed behind an indicator card and would be serviced manually by IR's area analysts and/or the requester.

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3. Since [REDACTED] provides up to seven (7) digits, partial provision could be made in the new system for the rapid and accurate recovery of the more detailed or "exotic" products and/or services such as drugs, chemicals, electronic parts, nickel plating facilities, etc.
 4. Products and/or activities having continuing or long range interest such as GM, AE, etc., could be flagged easily by affixing colored tape to pertinent documents or ICR cards.

This new system would initially place an additional analytical burden on the area analysts of the Register. However, the end result should be beneficial because analysts would be compelled to read the new documents more carefully and in their entirety, underline all products, and perform a more detailed and exacting coding operation than they perform at the present time.

IV. CONCLUSIONS

The principal difference between the old and new system is that IBM recovery under the latter would not extend beyond 3 digits, nor would the customer be given a machine listing of the codes utilized as is done now. The 2-digit industrial activity code now used in connection with IR's country indexes would also be replaced by the new 3-digit. Beyond 3 digits it would be a matter of manually searching the codes shown on all documents after the cutoff date. Considering that requesters will not have to wait for a machine run before a file search is undertaken, manual searches should not, on the average, consume any more time. Other advantages in the system proposed herein are as follows:

1. Coding would encompass the entire world (except W. Hemisphere) as against present coverage of only Sovbloc countries.
2. Assuming it becomes desirable to beef up IR's Soviet Branches, particularly with respect to the [REDACTED] more efficient utilization would be made of about \$100,000 worth of manpower.

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3. It should be easier to search for (mostly) 3-digit codes than to identify documents having 7-digit numbers as required by the present system.

It should be noted that action is pending at this time on memorandum requests received from OSI/NED, OSI/M, ORR/I/GM and ORR/M/CH for additional refinements in the present product coding system. Except for the reduction in IBM control it is believed that each of these component's interests can be protected through other means under the proposed new system.

V. RECOMMENDATIONS

It is recommended that this proposal be brought to the attention of CRAG for a decision as to its acceptability to consumer offices. (It is suggested that the Chief, Products Branch, IR/CR, be in attendance if and when CRAG is convened for the purpose of clarifying points raised by the conferees).

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Chief, Industrial Register, CR

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